



Divi's Laboratories Limited

Date: 28th March 2019

To
The Secretary
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex, Bandra (East)
MUMBAI - 400 051

To
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI - 400 001

Stock Code: DIVISLAB

Stock Code: 532488

Dear Sir/Madam,

Sub: Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

Pursuant to Regulation 8(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Board at its Meeting held on 28th March 2019 approved the revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI).

A copy of the said code is enclosed for your records.

Thanking You,

Yours faithfully,
For Divi's Laboratories Limited

P V Lakshmi Rajani
Company Secretary



“An ISO-9001, ISO-14001 and OHSAS-18001 Triple certified company”

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**CODE OF PRACTICES AND PROCEDURES FOR FAIR
DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE
INFORMATION (CODE OF FAIR DISCLOSURE)**

OF

DIVI'S LABORATORIES LIMITED

PREAMBLE

The Securities and Exchange Board of India had promulgated the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (hereinafter referred to as the 'Regulations') on January 15, 2015, which mandates the listed companies to frame a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“the Code”).

The Board of Directors of Company shall frame a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to these regulations, without diluting the provisions of the regulations in any manner.

Accordingly, this Code has been framed in pursuance to the regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the purpose of this code is to ensure timely and adequate disclosure of price sensitive information.

As per the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 effective from April 1, 2019, the Code has been revised for adoption by the Board of Directors of the Company. The revised Code shall be effective from April 1, 2019.

OBJECTIVE

The objective of formulation of Code of Practices and Procedures for Fair Disclosures is to ensure fair disclosure of unpublished price sensitive information, which would affect the price of the Company’s securities, and to maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations.

The code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

1. Prompt public disclosure of unpublished price sensitive information

Unpublished Price Sensitive Information shall be given to the Stock Exchanges and disseminated promptly on a continuous and immediate basis. For this purpose, Unpublished Price Sensitive Information means any information, which relates directly or indirectly to a Company and which if published is likely to materially affect the price of shares of the Company.

The following shall be deemed to be Unpublished Price Sensitive Information:

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel;

2. Uniform and universal dissemination of unpublished price sensitive information

The disclosure of unpublished price sensitive information shall be on a uniform basis and will be universally disseminated. The Company would disclose the events/ release the unpublished price sensitive information immediately to the Stock Exchanges first before releasing it to the media/ analysts to avoid selective disclosure.

3. Chief Investor Relations Officer

The Company has designated the Compliance Officer as Chief Investor Relations Officer and shall be responsible for ensuring that the Company complies with the continuous disclosure requirements. She/he shall also be responsible for overseeing & coordinating dissemination of information and disclosure of unpublished price sensitive information.

4. Prompt dissemination of unpublished price sensitive information that get disclosed inadvertently or selectively

The Company shall promptly disseminate the unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

5. Procedure for responding to any Query or Request by Stock Exchange on news reports/ market rumours

- 5.1 Replies to all queries or requests for verification of market rumours shall be sent only after obtaining the approval of the Managing Director.

- 5.2 Where the proposal is still in progress or there are impending negotiations or incomplete proposals, the disclosure of the information will be made only after final decision is taken.
- 5.3 Company will provide an appropriate and fair response by accepting/ denying/ clarifying any news reports/ rumours.
- 5.4 Such replies shall be signed by the Compliance Officer. In his/her absence, such replies shall be signed by such other officer / person as may have been authorized.
- 5.5 The Compliance Officer shall oversee corporate disclosure. She/he shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure.

6. Disclosure / dissemination of Price Sensitive Information with special reference to Analysts and Research Personnel

The Company shall provide only public information to the Analysts/Research Personnel/ Institutional Investors. The Company shall ensure that the information shared with analysts /research personnel/ Institutional Investors is not Unpublished Price Sensitive Information. Further, in order to avoid misquoting or misrepresenting it is desired that two Company representatives be present at the meeting with Analysts/Research Personnel/ Institutional Investors and the discussion should be recorded. Transcripts or records of proceedings of meetings shall be placed on the Company's website.

7. Unpublished price sensitive information on Need-to-Know basis

Unpublished Price Sensitive Information shall be handled on a "need to know" basis i.e. unpublished Price Sensitive Information shall be disclosed only to those where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

8. Sharing of Unpublished price sensitive information for Legitimate Purpose

Legitimate Purpose shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations. **"Policy for determination of Legitimate Purposes"** pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 forms part of this Code as **Annexure - A**.

9. Leak/suspected leak of unpublished price sensitive information:

The Board has formulated written policy for initiating appropriate enquiries on becoming aware of leak/suspected leak of unpublished price sensitive information - **"Policy for inquiry into leakage of unpublished price sensitive information"** pursuant to regulation 9A of SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018.

DISCLOSURE

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, reserves the right to modify and/or amend this Code of Fair Disclosure at any time.

This Code of Fair Disclosure and subsequent amendment(s) thereto, shall be promptly intimated to the stock exchanges where the Securities of the Company are listed.

This Code and any amendment thereof will be published on the Company's website www.divislabs.com.

Policy for Determination of Legitimate Purpose

This policy, as a part of Code of Fair Disclosure and Conduct formulated under Regulations 8 of SEBI (Prohibition of Insider Trading) Regulation 2015 will be known as "Policy for Determination of Legitimate Purpose" and the said Policy is prepared in accordance with Regulations 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment), Regulations, 2018.

Unpublished price sensitive information (UPSI) means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities of the Company if made public.

Unpublished Price Sensitive Information shall be shared on a need to know basis and for legitimate purposes, performance of duties or discharge of legal obligations. Hence, the objective of this policy is to identify 'Legitimate Purposes' for sharing of UPSI.

"**Legitimate Purpose**" shall mean sharing of UPSI in the ordinary course of business by an Insider with the following persons or entities, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

1. Promoters of the Company
2. Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
3. Staff Members of the Audit firm/team conducting the Audit
4. Collaborators
5. Lenders
6. Customers
7. Suppliers
8. Merchant Bankers
9. Legal Advisors
10. Insolvency Professionals
11. Consultants
12. Any other advisors/consultants/partners
13. Any other person with has access to UPSI

Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such

unpublished price sensitive information in compliance with these regulations. The insider shall take sufficient measures to ensure that all confidential information, in paper or electronic form, is kept secure through adequate security mechanisms.

DIGITAL DATABASE

The Board of Directors shall maintain a structured digital database containing the names of such persons or entities, as the case may be, with whom UPSI is shared along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

Communication of unpublished price sensitive information should be only to those employees or entities, who need the same for discharge of their duties and the Compliance Officer shall maintain list of employees and all other persons with whom UPSI is shared, with the following details:

- Name, PAN, Address, Contact No.
- Designation/ Department
- Reason / purpose for sharing/ receipt of UPSI
- Authorization to share/ receive the UPSI

The Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

If any employee inadvertently receives any unpublished price sensitive information, he/she should immediately report in writing to the Compliance Officer.

The Audit Committee of the company shall review compliance with the provisions of the regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.